



Promoting equity at Newcastle Building Society

**Gender and Ethnicity Pay Gap
Reports 2023**

Newcastle Building Society Group Gender and Ethnicity Pay Report 2023

Our Actions

Within the context of our wider DE&I Strategy we have also identified a number of actions to take to address both our gender and ethnicity pay gaps over the next 12 months. These include;



Improving our parental leave provision & policies



Completing our inclusive recruitment Audit and using this insight to make our hiring practices more inclusive



Launching an Inclusive Recruitment mandatory training module for hiring managers



Specifying targets for ethnicity & gender split at different grades



Launching a Women in Leadership targeted development programme pilot



Growing our employee networks to include Parent & Carers, and Menopause



Implementing diverse shortlists and recruitment panels for senior graded roles



As part of our wider employability programme, exploring how we can attract males to more junior roles within the large operational areas of the business

Newcastle Building Society Group

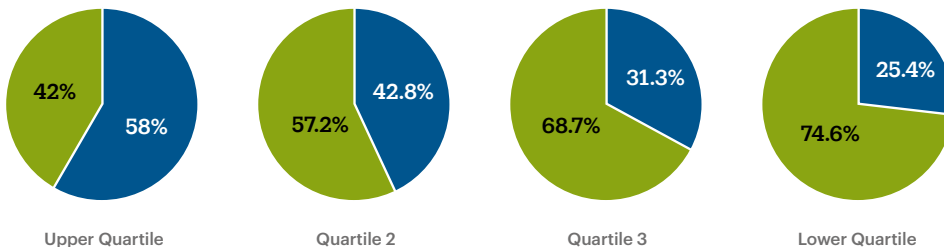
Gender and Ethnicity Pay Report 2023

Our Group Data

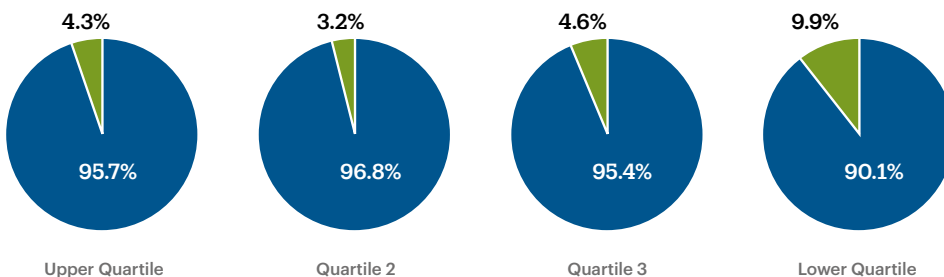
Newcastle Building Society Group – Gender & Ethnicity Pay Gaps 2023

At Group level, we have chosen to report on our ethnicity pay gap in the same format as our gender pay gap. In order to avoid revealing personal data about colleagues from different ethnic groups, we have chosen to report on the pay differentials between ethnically diverse and non-ethnically diverse colleagues, rather than specific ethnic groups.

Statistic	Gender Pay Gap	Ethnicity Pay Gap
Mean Pay Gap	23.8%	14.1%
Median Pay Gap	25.6%	20.0%
Mean Bonus Gap	43.2%	39.1%
Median Bonus Gap	0.0%	0.0%
% Males Receiving Bonus	93%	91%
% Females Receiving Bonus	90%	82%



Male Female



Non-Ethnically Diverse Ethnically Diverse

Our ethnicity pay gap information is based on the 97% of colleagues who have provided this information. As a Society we have chosen to initially report on the pay gaps between ethnically diverse and non ethnically diverse colleagues and have defined these in line with ONS categorisation of ethnicity. We have chosen to adopt this approach, rather than provide pay gap information between different ethnic groups, to allow simple but meaningful reporting of this information and to ensure personal data of any colleague is not revealed by reporting on relatively small data sets.

Newcastle Building Society Group

Gender and Ethnicity Pay Report 2023

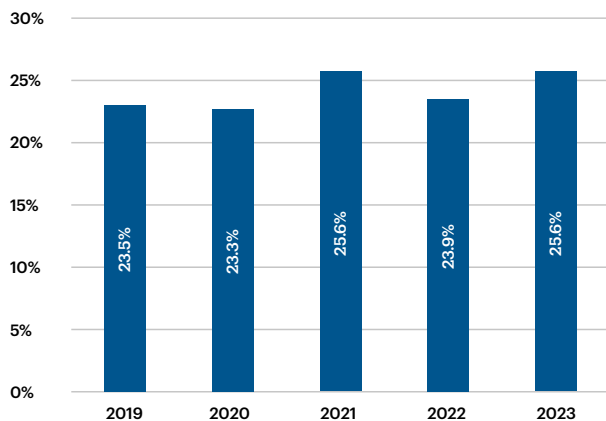
Understanding Gender & Ethnicity Pay Reporting

We recognise that a gender and ethnicity pay gap exists within our organisation and are committed to taking action to reduce both gaps, as detailed earlier in this report. A gender or ethnicity pay gap does not indicate that people are paid differently for the same role due to their gender or ethnicity. Rather, the gaps indicate that there are differences in the average rates of pay between men and women or between ethnically diverse and non-ethnically diverse colleagues.

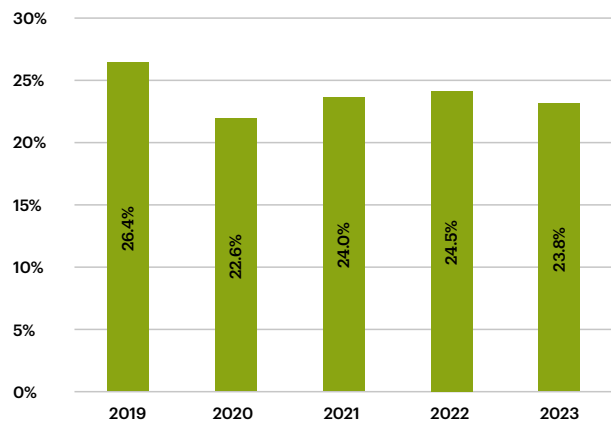
One of the key reasons for our gender and ethnicity pay gap is that we have more males and non-ethnically diverse colleagues in more senior roles. Conversely, we have more females and ethnically diverse colleagues in relatively junior roles. Our actions are therefore predominantly focussed on addressing these gender and ethnicity imbalances across our organisation – whether that being seeking to hire more females and ethnically diverse candidates at mid to senior levels or recruiting more males into our junior operational roles.

In addition to publishing our pay gaps each year, we are publishing the historical trend data to enable us to track and monitor the changes over a longer period of time.

Gender Pay Gap - 5 Year Trend



Gender Pay Gap - 5 Year Trend



■ Median Gender Pay Gap ■ Mean Gender Pay Gap

As this is the first year of reporting our ethnicity pay gap, we are unable to provide the historical trend.

Newcastle Building Society Group

Gender and Ethnicity Pay Report 2023

Whilst we remain committed to creating a gender balanced workforce, we recognise that we have seen only small changes to our gender pay gap over the last 5 years, as there are many factors that influence the pay gap each year. In 2020 we signed up to the Women in Finance Charter and pledged our commitment to building a more gender balanced industry. We are proud to have achieved a 24% increase in females in senior management positions since signing the Charter, however our overall workforce has grown by 36% over the last 5 years, with a significant growth in the number of front-line operation roles, that are predominantly occupied by females. This has offset some of the progress we have made in tackling representation at a senior level and has resulted in our overall pay gap remaining largely static over recent years.

As part of our Gender & Ethnicity Pay Gap 2023 Action Plan we are establishing targets that focus on improving representation across all pay quartiles, including how we attract more males into front line operational roles. We know that by working towards achieving more balanced representation across all pay quartiles is the only way to significantly reduce our pay gaps over the longer term.

The 0% median bonus gap reported in the tables on page 3, is because we took the decision to provide full-time colleagues with a minimum annual bonus of £2,500 in 2023, to support them with the cost of living challenges.



Definitions:

Mean Pay Gap

The percentage difference between the average (mean) pay of males and females or the percentage difference ethnically diverse colleagues and non-ethnically diverse colleagues.

Median Pay Gap

The percentage difference between the pay midpoint (median) of males and females or the percentage difference of ethnically diverse colleagues and non-ethnically diverse colleagues.

Newcastle Building Society Group Gender Pay Report 2023

Our Subsidiary Data

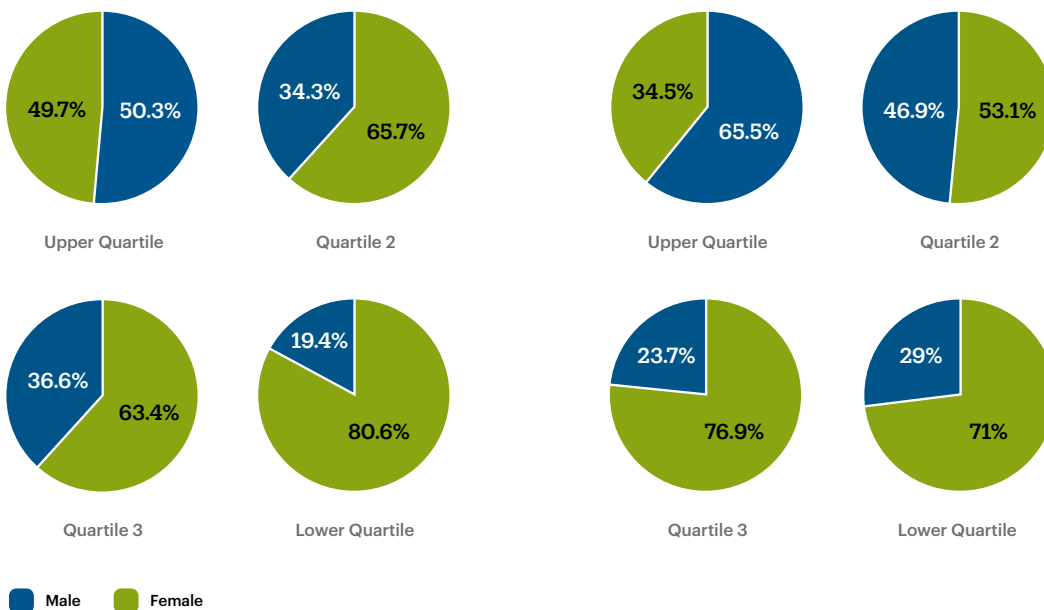
Newcastle Building Society & Newcastle Strategic Solutions Limited - Gender Pay Gap 2023

As a group business we have chosen to report on our group pay gap figures, however our corporate structure is such that more than 250 colleagues are employed within each of the subsidiary businesses Newcastle Building Society and Newcastle Strategic Solutions, meaning we also report on our gender pay gap figures at this more detailed level. Please find this information below.

Statistic	Newcastle Building Society	Newcastle Strategic Solutions
Mean Pay Gap	27.8%	20.2%
Median Pay Gap	15.6%	26.5%
Mean Bonus Gap	43.2%	33.6%
Median Bonus Gap	0.0%	0.0%
% Males Receiving Bonus	93%	92%
% Females Receiving Bonus	93%	86%

Newcastle Building Society

Newcastle Strategic Solutions



We recognise that gender pay gaps exist in both of these subsidiaries and believe the actions we have identified and are committed to implementing at Group level will help address and reduce these gaps in all areas of our business.

Newcastle Building Society confirms that the published gender pay gap information is accurate and signed by Andrew Haigh, Chief Executive.